GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

STARRED QUESTION NO:19
ANSWERED ON:26.02.2008
FDI IN INDUSTRIAL PARKS
Patel Shri Kishanbhai Vestabhai;Singh Shri Sugrib

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government proposes 100 per cent FDI in Industrial parks in the country;

(b) if so, the details thereof;

(c) whether the Government has fixed any standards for permitting 100 per cent FDI in such industrial parks; and

(d) if so, the details in this regard?

Answer

THE MINISTER OF COMMERCE & INDUSTRY(SHRI KAMAL NATH)

(a) & (b): As per the extant policy, Foreign Direct Investment (FDI) up to 100% is permitted under the automatic route in Industrial Parks Sector.

(c) & (d) : A Statement is laid on the Table of the House.

Statement referred to in reply to parts (c) & (d) of Lok Sabha Starred Question No. 19 for answer on February 26, 2008 regarding FDI in Industrial Parks.

(c) & (d): Government has approved the following qualifying conditions for allowing FDI up to 100% under the automatic route both in setting up and in established industrial parks without attracting the conditionalities of Press Note 2 of 2005:

(i) an 'industrial park' would be an area allotted for development of infrastructure facilities or built-up space with common facilities or earmarked for the purposes of industrial use;

(ii) Industrial activity permitted in the area designated as an 'industrial park' would be Manufacturing, Electricity, Gas and Water supply, Post and Telecommunications, Software publishing, Consultancy and Supply, Data processing, Database activities and distribution of electronic content, other computer related activities, Research and experimental development on natural sciences and engineering, Business and management consultancy activities and Architectural, engineering and other technical activities.

(iii) The Industrial Park would in addition have the following features;
(a) it would comprise of a minimum of 10 units and no single unit shall occupy more than 50% of the allocable area;
(b) the minimum percentage of the area to be allocated for industrial activity shall not be less than 66% of the total allocable area.